

TO: Distribution

DATE: August 29, 1994

FROM: Marketing Information &amp; Analysis / Jennifer Lichtman

SUBJECT: Nielsen Retail Pricing Update - 8/20/94 (week ending)**SUMMARY**

- Prices and gaps remained relatively stable week to week.
- <99¢ incidence decreased to 15%, nationally, its lowest level since mid-June.
- Doral's lowest discount pricing actions continued to expand.

**KEY FINDINGS****Prices and Gaps**

- In **C-stores**, the national Premium and Lowest Discount pack prices remained relatively stable, leaving the resulting average price gap at 59¢ or 44%.

Regionally, the weekly price gap declined in Regions 2 and 3, while on a four week basis, gaps were relatively stable across all Regions.

	LOWEST				Chg. vs. WAGO		4wk. vs. 4WAGO	
	MARL	DISC	\$ GAP	% GAP	\$ GAP	% GAP	\$ GAP	% GAP
NTNL	\$1.93	\$1.34	\$0.59	44.0%	\$0.00	-0.3	\$0.01	0.5
R1	\$2.11	\$1.54	\$0.57	37.0%	\$0.01	0.6	\$0.01	1.0
R2	\$1.77	\$1.21	\$0.56	46.3%	-\$0.03	-2.9	-\$0.01	-1.0
R3	\$1.91	\$1.32	\$0.59	44.7%	-\$0.02	-2.6	\$0.00	-0.3
R4	\$1.89	\$1.34	\$0.55	41.0%	\$0.00	-1.3	\$0.01	0.4
R5	\$2.05	\$1.36	\$0.69	50.7%	\$0.00	-0.4	\$0.00	0.3

- In **Supermarkets**, Premium carton price declined -7¢, more than offsetting a -3¢ decline in the average Lowest Discount carton price. The resulting price gap decreased -4¢ to \$4.89 or 42.5%, slightly below last week's YTD high of 42.8%.

Regionally, the price gap contracted in all regions except Region 5, with Region 2 experiencing the largest decline (-12¢) as Marlboro's average price decreased while the average Lowest Discount price increased.

	LOWEST				Chg. vs. WAGO		4wk. vs. 4WAGO	
	MARL	DISC	\$ GAP	% GAP	\$ GAP	% GAP	\$ GAP	% GAP
NTNL	\$16.39	\$11.50	\$4.89	42.5%	-\$0.04	-0.2	\$0.13	1.6
R1	\$17.81	\$13.05	\$4.76	36.5%	-\$0.10	-0.7	\$0.21	2.0
R2	\$14.61	\$10.06	\$4.55	45.2%	-\$0.12	-1.4	\$0.08	1.0
R3	\$16.11	\$11.20	\$4.91	43.8%	-\$0.02	0.1	\$0.01	0.1
R4	\$16.82	\$12.15	\$4.67	38.4%	-\$0.06	-0.6	\$0.21	2.3
R5	\$17.49	\$11.89	\$5.60	47.1%	\$0.05	1.2	\$0.29	3.4

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### Basic's Price Disadvantage

- In **C-stores**, incidence of Basic's price disadvantage (>10¢) with GPC remained unchanged week to week. Basic's disadvantage with the Lowest Discount brand decreased -3 points to 75% of stores, offsetting the prior week's increase.

Basic's disadvantage with RJR P/L's increased +3 points, more than offsetting the prior week's decrease.

	% STRS > 10¢	CHG VS LAST	4WK VS 4WAGO	AVG PRC DIFF	CHG VS LAST	4WK VS 4WAGO
BASIC vs. GPC	60.2%	0.0	-1.2	\$0.25	-\$0.01	\$0.00
BASIC vs. LOWEST DISC	75.2%	-2.5	1.2	\$0.30	\$0.00	-\$0.01
BASIC vs. RJR PL	71.1%	2.7	-1.5	\$0.34	\$0.00	\$0.00
BASIC vs. DORAL	36.6%	-1.3	N/A	\$0.25	\$0.00	N/A

- In **Supermarkets**, incidence of Basic's price gap (>\$1) with GPC increased +3 points week to week, its highest level YTD. Basic's price disadvantage (>\$1) with the Lowest Discount brand remained relatively unchanged at 84% of stores.

Incidence of Basic's price gap (>\$1) with RJR P/L's increased +1 point to 71% of stores week to week.

	% STRS > \$1.00	CHG VS LAST	4WK VS 4WAGO	AVG PRC DIFF	CHG VS LAST	4WK VS 4WAGO
BASIC vs. GPC	59.6%	3.3	1.3	\$2.07	\$0.04	\$0.00
BASIC vs. LOWEST DISC	84.0%	-0.1	3.6	\$2.48	\$0.10	\$0.03
BASIC vs. RJR PL	71.1%	1.2	0.4	\$2.23	-\$0.03	\$0.11
BASIC vs. DORAL	51.9%	6.2	N/A	\$2.20	\$0.09	N/A

### <99¢ Incidence

- ≤99¢ incidence decreased -2 points versus week-ago to 15% of stores (its largest week to week decline YTD) primarily due to reduced incidence of GPC. This marks the lowest incidence since mid-June.

Regionally, incidence on a weekly and four week basis decreased the most in Region 3.

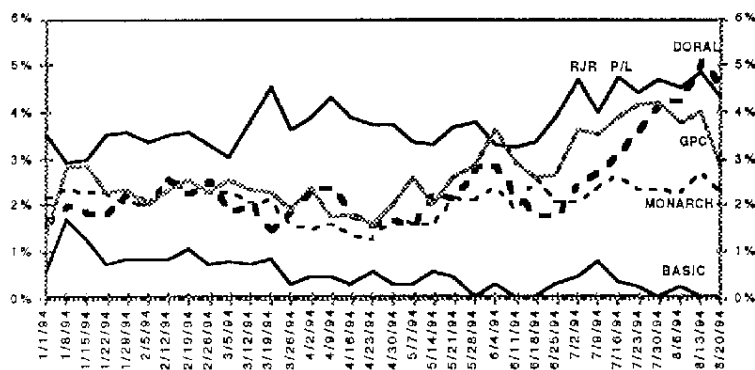
	≤99¢	Chg. vs. WAGO	4wk. vs. 4 WAGO
NTNL	14.7%	-2.1	-0.3
R1	2.9%	0.0	0.1
R2	21.5%	-2.7	1.0
R3	11.7%	-4.5	-2.8
R4	24.7%	-3.9	1.8
R5	8.2%	0.3	-1.3

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## EMERGING TRENDS

- Although the total percent of stores with a 99¢ price decreased week to week (driven primarily by GPC), Doral's ≤99¢ incidence continued to expand, increasing for the ninth consecutive week.

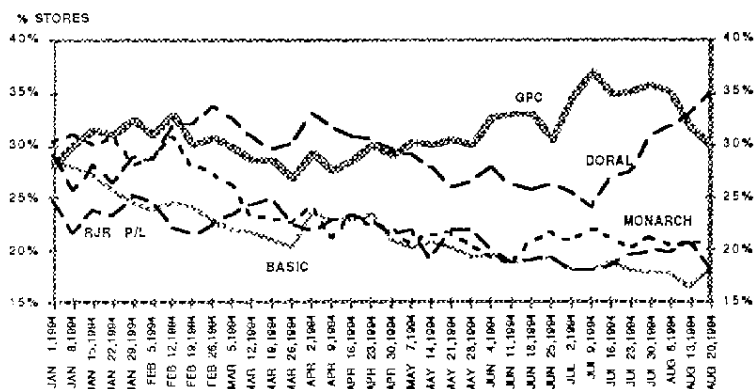
99¢ INCIDENCE BY BRAND



- Since GPC reached its highest incidence at the lowest price point on 7/9/94, Doral's incidence at the lowest price point has increased +11 points to 35% of stores while GPC's incidence has decreased -7 points to 30% of stores.

Week to week, Doral's incidence at the lowest price point increased +2 points while GPC's incidence decreased -2 points.

INCIDENCE AT THE LOWEST PRICE POINT



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Distribution:

R. Anise	T. Garguilo	M. Mahan	M. Salzman
M. Anton	E. Gawronski	T. McGovern	E. Schneidman
D. Beran	E. Gee	P. McCarthy	M. Schroeder
D. Berenson	A. Goldfarb	S. Medakkar	A. Schwartz
G. Bible	M. Gordon	R. Mikulay	B. Schuyler
G. Blumenson	M. Grande	J. Morgan	A. Sinha
D. Burrows	J. Greene	B. Neidle	W. Smith
W. Campbell	J. Heironimus	J. Nelson	N. Suter
R. Caricofe	P. Henriques	T. Nelson	M. Szymanczyk
J. Chaump	S. Jannetta	A. Padoan	L. Theaman
C. Cohen	C. Johnson	N. Parmet	J.G. Tucker
K. Compton	J. Kiernan	S. Piskor	B. Turo
P. Dodd	M. Klein	G. Plaia	R. Webster
D. Ennis	L. Lembo	D. Potter	J. Thomas
J. Falvo	S. LeVan	S. Rush	C. Tucker
P. Fernandez	C. Levy	T. Saloun	I. Weinkelbaum
R. Ferrin	A. Lewis		B. Weinstein
L. Finess	H. Long		L. Wexler
S. Fuller	N. Lund		R. Whalen
	A. Macrae		

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